

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2014

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year quarter ended</b>	<b>Preceding year corresponding quarter ended</b>	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>(Unaudited) 30/6/14 RM'000</b>	<b>(Unaudited) 30/6/13 RM'000</b>	<b>(Unaudited) 30/6/14 RM'000</b>	<b>(Unaudited) 30/6/13 RM'000</b>
Revenue	63,401	36,139	115,043	71,699
Cost Of Sales	(58,710)	(32,739)	(106,748)	(64,815)
Gross Profit	4,691	3,400	8,295	6,884
Other Income	1,096	245	1,665	376
Distribution Costs	(1,838)	(1,640)	(3,566)	(3,204)
Administrative Expenses	(998)	(953)	(1,975)	(1,933)
Other Expenses	(224)	(167)	(331)	(181)
Finance Costs	(695)	(516)	(1,409)	(1,081)
Share of loss of associates	-	-	-	-
Profit Before Tax	2,032	369	2,679	861
Income tax Expense	(819)	(211)	(1,030)	(407)
Profit For The Period	<u>1,213</u>	<u>158</u>	<u>1,649</u>	<u>454</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	<u>1,213</u>	<u>158</u>	<u>1,649</u>	<u>454</u>
Attributable to:				
Equity Holders Of The				
Parent	1,149	157	1,507	440
Non-Controlling Interest	64	1	142	14
Total Comprehensive Income For The Period	<u>1,213</u>	<u>158</u>	<u>1,649</u>	<u>454</u>
EPS - Basic (sen)	0.65	0.09	0.85	0.25
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying notes attached to these interim financial statements)

**CAM RESOURCES BERHAD** (Company No: 535311-D)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Unaudited</u>	<u>Audited</u>
	As at end of current quarter 30/6/14 RM'000	As at preceding financial year end 31/12/13 RM'000
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	76,919	77,272
Goodwill on business combination	6,079	6,079
Deferred tax assets	423	423
	<u>83,421</u>	<u>83,774</u>
Current Assets		
Inventories	34,620	37,368
Trade receivables	20,765	21,658
Other receivables	10,032	7,235
Tax assets	278	357
Cash and bank balances	9,874	9,419
	<u>75,569</u>	<u>76,037</u>
Total Assets	<u><u>158,990</u></u>	<u><u>159,811</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(4,464)	(4,464)
Other reserves	5,178	5,178
Retained earnings	45,065	43,558
	<u>94,979</u>	<u>93,472</u>
Non-controlling interests	2,047	1,905
Total equity	<u><u>97,026</u></u>	<u><u>95,377</u></u>
Non Current Liabilities		
Long term borrowings	22,808	24,271
Deferred tax liabilities	3,381	3,432
	<u>26,189</u>	<u>27,703</u>
Current Liabilities		
Trade and other payables	9,534	11,732
Short term provisions	408	408
Short term borrowings	25,833	24,559
Current tax payables	-	32
	<u>35,775</u>	<u>36,731</u>
Total Liabilities	<u>61,964</u>	<u>64,434</u>
Total Equity And Liabilities	<u><u>158,990</u></u>	<u><u>159,811</u></u>
Net Assets Per Share (RM)	0.54	0.53

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Share Premium RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- Controlling Interest RM'000</b>	<b>Total Equity RM'000</b>
<b><u>Cumulative quarter ended 30/6/2014- Unaudited</u></b>							
At 01/01/2014	49,200	(4,464)	5,178	43,558	93,472	1,905	95,377
Profit for the period				1,507	1,507	142	1,649
At 30/6/2014	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>45,065</u>	<u>94,979</u>	<u>2,047</u>	<u>97,026</u>
<b><u>Cumulative quarter ended 30/6/2013- Unaudited</u></b>							
At 01/01/2013	49,200	(4,464)	5,178	41,694	91,608	1,890	93,498
Profit for the period				440	440	14	454
At 30/6/2013	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>42,134</u>	<u>92,048</u>	<u>1,904</u>	<u>93,952</u>

(The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying notes attached to these interim financial statements)

**CAM RESOURCES BERHAD** (Company No: 535311-D)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 30/6/14 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 30/6/13 (Unaudited) RM'000</b>
Profit before tax	2,679	861
Adjustment for non-cash flow:-		
Non-cash items	2,141	2,119
Non-operating items (which are investing/financing)	1,335	1,021
Operating profit before changes in working capital	<u>6,155</u>	<u>4,001</u>
Changes in working capital		
Net change in inventories	2,748	1,217
Net change in receivables	(1,902)	(8,285)
Net change in payables	(2,198)	1,895
Cash flows from/(used in) operation	<u>4,803</u>	<u>(1,172)</u>
Tax paid	(1,035)	(1,130)
Interest paid	<u>(1,339)</u>	<u>(668)</u>
Net cash from/(used in) operating activities	<u>2,429</u>	<u>(2,970)</u>
Investing Activities		
Interest received	4	-
Proceed from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(1,788)	(2,376)
Acquisition of subsidiary	-	-
Net cash used in investing activities	<u>(1,784)</u>	<u>(2,376)</u>
Financing Activities		
Proceeds from borrowings	49,912	36,132
Repayment of borrowings	(49,930)	(31,770)
Net cash (used in)/from financing activities	<u>(18)</u>	<u>4,362</u>
Net Change in Cash & Cash Equivalents	627	(984)
Cash & Cash Equivalents at beginning of the period	7,498	3,895
Cash & Cash Equivalents at end of the period	<u>8,125</u>	<u>2,911</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	3,000	1,000
Cash and bank balances	<u>5,125</u>	<u>1,911</u>
	<u>8,125</u>	<u>2,911</u>

(The Unaudited Condensed Consolidated Statement of Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying notes attached to these interim financial statements)

## **NOTES TO THE QUARTERLY RESULTS**

### **1. Accounting policies**

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134 - Interim Financial Reporting, IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2013, except for the adoption of the following:

#### **New or Revised MFRSs/Amendments/Interpretations**

MFRS 9	Financial Instruments
Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standard
Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 8	Operating Segments
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance
Amendments to MFRS 13	Fair Value Measurement
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 124	Related Party Transactions
Amendments to MFRS 127	Separate Financial Statements
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 136	Impairment of Assets
Amendments to MFRS 138	Intangible Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 140	Investment Property
IC Interpretation 21	Levies

The adoption of the above standards, amendments and interpretations did not have any material impact on the financial position and performance of the Group.

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**2. Seasonality and cyclical of operations**

The Group's operations for the current quarter and financial year-to-date are not significantly affected by seasonal and cyclical factors.

**3. Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter and financial year-to-date.

**4. Changes in estimates**

There were no material changes in estimates of amounts reported in prior interim period of the current financial year or changes in the estimate of amounts reported in prior financial years that have material effect in the current quarter and financial year-to-date.

**5. Issuance and repayment of debt and equity securities**

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year-to-date.

**6. Dividend paid**

There was no dividend paid in the current quarter.

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**7. Segmental reporting**

The segmental analysis for the Group for the financial year-to-date ended 30 June 2014 and 30 June 2013 are as follows:-

30 June 2014	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External revenue	-	26,502	19,852	68,689	-	115,043
Inter-segment revenue	-	11,080	75	-	(11,155)	-
	-	37,582	19,927	68,689	(11,155)	115,043
<b>Segment Results</b>						
Segment results	(138)	2,829	566	1,115	(358)	4,014
Operating profit						4,014
Interest revenue						4
Interest expense						(1,339)
Taxation						(1,030)
Net profit for the period						1,649
<b>30 June 2013</b>						
30 June 2013	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External revenue	-	16,327	17,138	38,234	-	71,699
Inter-segment revenue	-	13,156	262	-	(13,418)	-
	-	29,483	17,400	38,234	(13,418)	71,699
<b>Segment Results</b>						
Segment results	(113)	1,576	504	228	(313)	1,882
Operating profit						1,882
Interest revenue						-
Interest expense						(1,021)
Taxation						(407)
Net profit for the period						454

No geographical analysis has been presented as the operations of the Group are solely based in Malaysia.

## **8. Valuation of property, plant and equipment**

There were no amendments made to the valuation of property, plant and equipment that have been brought forward from the previous annual financial statements.

## **9. Subsequent event**

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

## **10. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year-to-date except for the following:

The application made to the Companies Commission of Malaysia ("CCM") for voluntary striking-off of Permatang Kiara Sdn Bhd ("PKSB"), a dormant wholly-owned subsidiary of CAM, the CCM had in its letter dated 17 April 2014 (which was received on 12 May 2014 via post) advised that PKSB has been struck off the register and dissolved on the publication of the Section 308(4) Notice in the Gazette on 6 January 2014.

## **11. Contingent liabilities or assets**

Save as disclosed below, there were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at end of the current quarter.

The contingent liabilities pertaining to the corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries were RM48,641,031 as at 30 June 2014 (31 December 2013 : RM48,830,123).

## **12. Review of performance of the Company and its principal subsidiary companies**

During the quarter under review, the Group's revenue increased to RM 63.4 million as compared to RM 36.1 million in preceding year corresponding quarter. The profit before tax in current quarter recorded at RM2.0 million as compared to RM0.4 million in preceding year corresponding quarter.

### Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter and preceding year corresponding quarter are 27.1 million and RM17.1 million respectively. The profit before tax recorded at RM1.6 million as compared to RM0.4 million in preceding year corresponding quarter. The higher profit before tax in current quarter was mainly due to higher sales achieved.

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Palm Oil Mill

The palm oil mill segment's revenue in current quarter is RM36.3 million as compared to RM19.1 million in preceding year corresponding quarter. This segment registered a profit before tax of RM 0.3 million in the quarter under review as compared to profit before tax of RM 8,000 in preceding year corresponding quarter.

The results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material or unusual nature which have arisen between 1 January 2014 and the date of this report.

**13. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter**

The profit before tax for the quarter under review is at RM 2.0 million as compared with RM0.6 million in immediate preceding quarter. The higher profit before tax in current quarter was mainly due to higher sales achieved.

**14. Current year prospect**

The Group remains optimistic on its performance in the remaining quarters for the current financial year.

**15. Variance on forecast profit and/or profit guarantee**

This was not applicable as no profit forecast and/or profit guarantee was published.

**16. Profit for the period**

Profit for the period is arrived at after charging/(crediting):

	Current year Quarter ended	Preceding year Corresponding Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Current year to date
	30/6/2014 RM'000	30/6/2013 RM'000	30/6/2014 RM'000	30/6/2013 RM'000
Interest income	1	-	4	-
Other income	(1,096)	(245)	(1,665)	(376)
Interest expenses	657	487	1,339	1,021
Depreciation of property, plant & equipment	1,155	984	2,142	1,963
Foreign exchange (gain) - realised	(632)	(49)	(803)	(47)

**17. Taxation**

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	2014-06-30	2014-06-30
	RM'000	RM'000
Based on results for the period	829	1,081
Origination / (reversal) of temporary differences	(10)	(51)
	819	1,030
Under/(Over) provision in prior period	-	-
Tax expense	819	1,030

The effective tax expense rate for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes and non-availability of the Group tax relief in respect of losses suffered by certain companies.

**18. Status of corporate proposals**

There was no corporate proposal announced for the current quarter and financial year-to-date.

**19. Group borrowings and debt securities**

<b>Group Borrowings as at 30-Jun-14</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	741	1,008	1,749
Revolving credit	-	2,600	2,600
Bankers' acceptance	3,698	14,172	17,870
Hire purchase loans	105	-	105
Term loans	3,509	-	3,509
	<u>8,053</u>	<u>17,780</u>	<u>25,833</u>
<b>Long term borrowings</b>			
Hire purchase loans	150	-	150
Term loans	22,658	-	22,658
	<u>22,808</u>	<u>-</u>	<u>22,808</u>
<b>Total Borrowings</b>	<u>30,861</u>	<u>17,780</u>	<u>48,641</u>

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<b>Group Borrowings as at 31-Dec-13</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	-	1,921	1,921
Revolving credit	-	3,600	3,600
Bankers' acceptance	-	15,531	15,531
Hire purchase loans	102	-	102
Term loans	3,405	-	3,405
	<u>3,507</u>	<u>21,052</u>	<u>24,559</u>
<b>Long term borrowings</b>			
Hire purchase loans	202	-	202
Term loans	24,069	-	24,069
	<u>24,271</u>	<u>-</u>	<u>24,271</u>
<b>Total Borrowings</b>	<u>27,778</u>	<u>21,052</u>	<u>48,830</u>

The above Group borrowings are denominated in Ringgit Malaysia.

**20. Material pending litigation**

There were no material litigations pending since the last annual financial statement.

**21. Dividend**

There was no dividend declared or recommended for the current quarter and financial year-to-date.

**22. Earnings per share**

- The amount used as the numerator in calculating basic earnings per share is profit after tax attributable to equity holder of the parent reported for the respective period.
- The weighted average number of shares used as the denominator in calculating basic earnings per share is 177,127,500 for current quarter and financial year-to-date and also for preceding year corresponding quarter and financial year-to date.

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**23. Realised and Unrealised Profits/Losses Disclosure**

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:-

	<b>As at 30/6/2014 RM'000</b>	<b>As at 31/12/2013 RM'000</b>
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	48,023	80,438
-Unrealised	(963)	(636)
	<hr/> 47,060	<hr/> 79,802
Less: Consolidation adjustments	(1,995)	(36,244)
	<hr/> 45,065	<hr/> 43,558
Total Group retained profit as per consolidated accounts	<hr/> <hr/> 45,065	<hr/> <hr/> 43,558